

A Bill for an Act Relating to the Determination of Employer Contributions to the Employees' Retirement System.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 88-122, Hawaii Revised Statutes, is amended to read:

"Sec. 88-122 Determination of employer normal cost and accrued liability contributions. Based on regular interest and such mortality and other tables as are adopted by the board of trustees, the actuary engaged by the board shall, on the basis of successive annual actuarial valuations, determine the employer's normal cost accrued liability contributions for each year beginning July 1:

- (1) The normal cost for each year after June 30, 1971 shall be the percentage of the aggregate annual compensation of employees as of March 31 of the preceding year which, if contributed over each employee's prospective period of service and added to his prospective contributions, will be sufficient to provide for the payment of all future benefits after subtracting the sum of the unfunded accrued liability as of the beginning of the year and the assets of the pension accumulation fund as of the end of the preceding year.
- (2) The unfunded accrued liability as of July 1, 1971 shall be fixed at \$250,000,000. The accrued liability contribution for each year after June 30, 1971 shall be the level annual payment required to liquidate such unfunded accrued liability over the remainder of the period of fifty years beginning July 1, 1964.
- (3) The unfunded accrued liability as of the beginning of a year may, at the discretion of the board, be adjusted to take account of changes in regular interest or such mortality and other tables as are adopted by the board, or to reflect changes in the liability with respect to service rendered in previous years."

SECTION 2. Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 3. This Act shall take effect upon its approval.

(Approved April 12, 1973.)

*Edited accordingly.